



**Code of
Business Conduct
and
Ethics**

Adopted by the Jo-Ann Stores, Inc. Board of Directors, August 12, 2009

1 Overview

Your Role:

Report any wrong-doings that may adversely affect the Company, our investors, our customers or the public at large by talking with your manager, another Company officer or manager, a Human Resources Representative, a Company attorney, by using the Get Help Hotline or e-mail or by writing a letter.

To My Fellow Jo-Ann Team Members:

Jo-Ann Stores, Inc. has a long history of conducting business in a responsible, honest and ethical manner. Our reputation for integrity has been a key to our success. Our continued success is dependent on every Team Member continuing to conduct business in accordance with all legal requirements and with the highest ethical standards. Please join me in supporting Jo-Ann's commitment to the highest standards of ethical business conduct.

Darrell Webb

Chairman, President and Chief Executive Officer

1. Overview

Jo-Ann's Code of Business Conduct and Ethics (our "Code of Conduct") applies to the Board of Directors and all Team Members of Jo-Ann Stores, Inc. and all of Jo-Ann's subsidiaries. Jo-Ann's Code illustrates the shared accountability each Team Member has in conducting Jo-Ann business with honesty and integrity. The Code is intended to assist in making ethical and legal choices. Put simply, all Team Members are expected to comply fully with all applicable laws and governmental regulations and all Jo-Ann policies, and to conduct the Company's business in accordance with the highest ethical standards.

Team Members are not expected to be legal experts. However, each Team Member is expected to have a basic understanding of the laws and Company policies applicable to his or her job. You should have sufficient knowledge of these laws and policies to recognize that a planned activity may involve legal or policy issues. Then, if you have any doubts as to the legal or policy requirements, you should ask questions to ensure that you understand these requirements before undertaking the planned activity. Ask your manager, another manager in your department, your department head, a Human Resources Department manager, Internal Audit or a Company attorney. Only when you are sure that you understand the legal and policy requirements should you proceed with the activity.

ASKING A QUESTION IS NEVER THE WRONG COURSE OF ACTION; THERE ARE NO DUMB QUESTIONS.

2-4 Roles and Responsibilities / A Framework for Analyzing Legal and Ethical Concerns

2. Team Member Responsibilities

- Fully comply with all legal requirements, the Code of Conduct and all other Company policies.
- Apply the highest ethical standards to all of your activities on behalf of the Company.
- Report any legal and ethical concerns. Your options for reporting concerns are discussed below.

3. Additional Manager and Supervisor Responsibilities

- Maintain a culture in which all Team Members reporting to you understand Jo-Ann's commitment to conducting business legally and ethically.
- Maintain an open environment in which Team Members feel comfortable asking questions, discussing issues and raising concerns without fear of retaliation.
- Elevate any potential violations reported to you up the management chain. Ultimately a concern regarding employment issues must be brought to the attention of a Human Resources Director or the Vice President, Human Resources; a concern regarding financial reporting, financial controls, fraud or misappropriation of Company assets must be brought to the attention of the Chief Financial Officer or Vice President, Internal Audit; and all other concerns must be brought to the attention of the General Counsel.

4. A Framework for Analyzing Legal and Ethical Concerns

Ask yourself:

- Is it legal? (If you are not sure, ask a Company lawyer or another knowledgeable Company manager.)
- Even if it is legal, is it consistent with Company policies? (Again, if you are not sure, ask questions.)
- Even if it is legal and consistent with Company policies, is it the right thing to do? (Discuss the issue with other Team Members if you have concerns.)
- The "Newspaper Test" – would it be embarrassing for you or the Company if your activities were reported on page one of tomorrow's newspaper? (If so, it is probably not the right thing to do.)

5 Reporting Concerns

Your Role:

Report any wrong-doings that may adversely affect the Company, our investors, our customers or the public at large by talking with your manager, another Company officer or manager, a Human Resources Representative, a Company attorney, by using the Get Help Hotline or email, or by writing a letter.

5. Reporting Concerns

If a Team Member becomes aware of a situation in which he/she believes that a legal requirement or Jo-Ann policy has been violated, or that he/she is being pressured or being asked to compromise the Company's values, it is the Team Member's responsibility to communicate this concern through the appropriate channels, as described below. A Team Member will not be disciplined, lose his/her job or be subject to retaliation in response to asking questions or voicing concerns about the Company's ethical or legal obligations, so long as the Team Member is acting in good faith. Good faith does not necessarily mean being correct – but it does imply the belief that the Team Member is providing truthful information.

Listed below are the ways a Team Member can ask questions or voice concerns.

1. **In person.** A Team Member's manager is the most immediate resource. He/she may have the information needed or may be able to refer the question to another appropriate source. Other Team Members you may contact include any Company officer, another Company manager, a Human Resources Representative or a Company attorney.
2. **Via email.** Jo-Ann has a confidential email account, gethelp@joann.com, where anyone can send a message with a question or concern.
3. **Via phone.** The Get Help Hotline (1-877-9GETHELP (or 1-877-943-8435)) is a confidential number where callers can remain anonymous, if they desire. If you call the Hotline, please provide sufficient information so that the concern you raise may be investigated thoroughly.
4. **Via mail.** Correspondence should be sent to:
Jo-Ann Stores, Inc.
5555 Darrow Road
Hudson, OH 44236

Please address your correspondence to one of the following:

SVP, General Counsel and Secretary,
VP, Human Resources, or
VP, Internal Audit and Loss Prevention

In all cases, when a question or concern is raised, all reports are:

- Handled promptly, discreetly and professionally. Discussions and inquiries will be kept in confidence to the extent appropriate or permitted by law.
- Investigated by people who do not directly supervise the persons or conduct being investigated.
- Kept on file to document how the Company addressed the report or concern.

5-6 Reporting Concerns (cont.) / Retaliation is Not Tolerated

In the event that an investigation is initiated, Team Members are expected to cooperate fully with the investigation and answer any questions truthfully and to the best of their ability. Concealing or covering up an ethical or legal violation is itself a serious violation of our Code. If a Team Member engages in concealing or covering up such violations, or fails to cooperate with an investigation, the Team Member will be subject to discipline, including possible discharge.

If the investigation confirms a violation of law or Company policy, appropriate corrective action will be taken, and Team Members found to have participated in the violation will receive appropriate disciplinary action, up to and including termination of employment.

6. Retaliation is Not Tolerated

A Team Member will not be disciplined, lose his/her job or be subject to retaliation in response to asking questions, voicing concerns or assisting in a Company investigation, so long as the Team Member is acting in good faith. Good faith does not necessarily mean being correct – but it does imply the belief that the Team Member is providing truthful information. Retaliation is grounds for discipline up to and including termination of employment.

If you believe that you have been subjected to retaliation, report it promptly to your manager, another appropriate Company manager, a Human Resources Department Manager, Director or Vice President, the General Counsel or the Vice President, Internal Audit and Loss Prevention. In addition to the above, listed below are examples of situations which *may* cause a conflict of interest; please note that this list is not all-inclusive. If Team Members encounter a situation in which they are unsure whether or not an action represents a conflict of interest, they should discuss it with a Company officer.

- Placing Company business with relatives or friends, or working on a Company project that will have a direct impact on the financial interest of relatives or friends;
- Encouraging companies dealing with Jo-Ann to buy supplies or services from relatives or friends;
- Hiring a relative or friend;

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Create an open and productive work environment

Your Role:

Treat all people with whom you come in contact in a professional and courteous manner.

If you have experienced or know of any behavior that you believe is a form of harassment or discrimination, report it to your manager, the Get Help Hotline or Human Resources immediately.

7. Create an open and productive work environment.

All Team Members deserve a workplace where they feel respected and appreciated. Jo-Ann's policies are designed to ensure that Team Members are treated fairly and with respect, and that Team Members treat others with that same respect.

Jo-Ann will hire, evaluate and promote individuals based on skills and performance, and not on unlawful considerations. With this in mind, there are certain behaviors that will not be tolerated. These include harassment, retaliation, violence, intimidation and discrimination of any kind involving race, color, age, gender, religion, national origin, disability, sexual orientation, veteran status, marital status, genetic information or any other protected status under the law.

Unwelcome sexual advances or other inappropriate personal conduct are prohibited. Sexual harassment may take many forms, from overt advances to demeaning comments, jokes, language and gestures. Sexual harassment may also occur when someone's words, actions or behavior, either implicitly or explicitly, interferes with work performance or creates an intimidating, hostile or offensive work environment.

If a Team Member experiences or observes a situation that he/she believes is discriminatory, hostile or involves any form of harassment (regardless of whether directed towards that Team Member or someone else), the Team Member is encouraged to communicate to the individual that such behavior is unwelcome. If you are not comfortable talking with the individual, or if the behavior does not immediately cease following the discussion with the individual, the situation must be reported to the Team Member's manager immediately. If the Team Member believes that his/her manager is engaged in unwelcome behavior or the Team Member is not comfortable raising concerns with his/her manager, the Team Member should contact another manager, a Human Resources Representative, or the Get Help Hotline at 1-877-9GETHELP. Please note that all complaints MUST immediately be reported by management to Human Resources and will be investigated promptly and in an impartial manner. The Company's policy against retaliation is applicable. Confidentiality will be maintained to the extent consistent with a thorough investigation and any disclosure requirements imposed on the Company.

If a Team Member has a medical condition, disability or religious belief and needs to request an adjustment or reasonable accommodation, Jo-Ann will review requests and determine whether a reasonable accommodation can be made in compliance with all obligations under applicable state and Federal laws, including the Americans with Disabilities Act (ADA).

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Act In the best interest of the Company and avoid all conflicts of interest

Your Role:

Do not engage in any activity that could be perceived as putting your own interests ahead of the Company's interest.

Advance the Company's interest when presented with an opportunity.

8. Act in the best interest of the Company and avoid all conflicts of interest.

A conflict of interest occurs when an individual's personal interests interfere, or appear to interfere, in any way with the interests of Jo-Ann. Team Members must act in the best interests of the Company and avoid situations that present potential or actual conflicts between their individual interests and the interests of the Company.

The following are examples of actions that would constitute a conflict of interest:

- Investing in, having an ownership interest in or serving as an officer or director of, any company that competes with Jo-Ann, or any company doing or seeking to do business with Jo-Ann, other than relatively small investments in securities of publicly-held companies or relationships approved in advance by an Executive Officer of the Company, or (in the case of Company officers and Board of Director members) by the Company's Corporate Governance Committee;
- Working for, or on behalf of, any competitor, supplier, landlord, contractor or other person having a business relationship to Jo-Ann except as approved in advance by an Executive Officer of the Company, or (in the case of Company officers and Board of Directors members) by the Company's Corporate Governance Committee (see the Outside Employment Policy (HR250) for additional information);
- Borrowing money from companies doing or seeking to do business with Jo-Ann, other than borrowings from financial institutions on terms generally available to the public;
- Accepting bribes or kickbacks of any kind (see the Vendor Relationship Guide for additional information);
- Supervising an immediate family member, a close personal friend, or a dating partner (see the Employment of Friends and Family Policy (HR260) for additional information);
- Having a personal relationship with another Team Member or vendor or other person having a business relationship with Jo-Ann that affects a Team Member's ability to do his/her job, disrupts the workplace, or creates a hostile work environment (see the Equal Employment Opportunity/Anti-Harassment Policy (HR100) for additional information);
- Working for another company that conflicts with the individual's duties and responsibilities at Jo-Ann (see the Outside Employment Policy (HR250) for additional information);
- Owning a business that sells, manufactures, or distributes products in competition with Jo-Ann;
- Soliciting Jo-Ann customers for personal gain or to provide services in competition with Jo-Ann; or
- Reselling merchandise obtained from a Jo-Ann sponsored giveaway or event.

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Act In the best interest of the Company and avoid all conflicts of interest (cont.)

In addition to the above, listed below are examples of situations which may cause a conflict of interest; please note that this list is not all-inclusive. These types of activities should only be engaged in with the approval of a Company officer following full disclosure of the relevant facts.

- Placing Company business with relatives or friends, or working on a Company project that will have a direct impact on the financial interest of relatives or friends;
- Encouraging companies dealing with Jo-Ann to buy supplies or services from relatives or friends;
- Hiring a relative or friend (see the Employment of Friends and Family Policy (HR260) for additional information);
- Soliciting gifts or donations from suppliers, contractors, other persons having business relationships with Jo-Ann or local merchants;
- Accepting gifts, gratuities, meals, entertainment or travel with a total market value of \$25 or more from suppliers, contractors, vendors or others having business relationships with Jo-Ann (refer to the Conflict of Interest Policy for special guidelines that must be met before such items may be accepted);
- Accepting fees or honorariums for doing things such as giving lectures, conducting seminars, serving as a director of another company or completing a survey;
- Participating in the regulatory or other activities of a community or governmental body that have a direct impact on the business of the Company;
- Conducting political activities on Company time or involving the use of any Company resources, including financial contributions.

Team Members are expected to act in the best interest of the Company when presented with opportunities as a result of their jobs. This means that Team Members may not use Company property, information and position for personal gain. With respect to products, including sample merchandise that is given to Jo-Ann, materials slated for removal and disposal, product that is to be returned to a vendor, and damaged goods, these products are the property of either Jo-Ann or its vendors. These products should not be handled in any way that contradicts instructions provided to Jo-Ann or its Team Members. Refer to the Conflict of Interest Policy for additional examples of actual and potential conflicts of interest, and for additional information.

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Respect and maintain the confidentiality of information entrusted to you by the Company

Your Role:

All confidential information, including all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed, should be kept secure.

The only exception to this is when disclosure is authorized or legally mandated.

When the information is no longer needed by Jo-Ann it should be disposed of properly.

This practice should be followed during and after your employment with Jo-Ann.

9. Respect and maintain the confidentiality of information entrusted to you by the Company and its customers.

Jo-Ann respects Team Member privacy and has practices to safeguard the confidentiality of Team Member records and personal information. The Company collects, stores, uses and distributes personal information (including salary and benefits data), Team Member medical information and Team Member lists, in compliance with all applicable laws.

Likewise, our Team Members are required to treat the Company's information with the same respect. Information generated in our business is a valuable Company asset. Protecting this information plays a vital role in our continued growth and ability to compete. Typical of such information, in any form (electronic or hard copy), are merchandise and marketing plans; objectives and strategies; trade secrets; unpublished financial or pricing information; computer programs; and Team Member, customer and supplier lists.

Team Members who have access to proprietary and confidential information are obligated to safeguard it from unauthorized access and follow these additional guidelines:

- Do not disclose this information to persons outside Jo-Ann. Exercise caution when discussing Company business in public places where conversations can be overheard, like restaurants or on airplanes. Recognize the potential for eavesdropping on cellular telephones.
- Do not use this information for personal benefit or the benefit of persons outside of Jo-Ann.
- Share this information only with other Team Members who need the information to do their jobs.

Team Members are also obligated to protect the confidentiality of customer personal information (e.g., credit and debit card numbers), to comply with all legal and contractual requirements applicable to such data, and to restrict access to such data to authorized Company Team Members.

Non-public financial information can be released outside the Company only by the office of the Chief Financial Officer, with legal approval. In addition, Team Members are not to talk to the media without approval from the Director, Treasury and Investor Relations (for financial and investor relations inquiries) or the Director, Public Relations (for all other inquiries).

This obligation to protect Jo-Ann's proprietary and confidential information continues even after leaving the Company.

10 Conduct all business with Team Members, customers, suppliers and competitors in a fair and honest manner

Your Role:

When dealing with customers, suppliers, competitors and co-workers, you should conduct business in a fair and honest manner.

10. Conduct all business with Team Members, customers, suppliers and competitors in a fair and honest manner.

Team Members should not take advantage of anyone through manipulation, concealment or abuse of privileged information, misrepresentation of material facts or any other unfair activity.

Team Members are expected to gather and use information about our competitors in an ethical manner and in compliance with the law. Prohibited, of course, are theft, illegal entry, blackmail and electronic eavesdropping. Employees of competitors or suppliers should not be used as a source of non-public information concerning their employers. Jo-Ann Team Members should not divulge proprietary information about a former employer, and will not be asked to do so.

All proprietary or non-public information about our competitors or suppliers should not be used if one suspects that it has been obtained improperly or misdirected in error (such as misdirected faxes). If you come into possession of such information, immediately contact the Company's General Counsel.

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Report all financial information accurately

Your Role:

Ensure all of your business transactions and records are accurate and filed on a timely basis.

11. Report all financial information accurately.

Most Team Members are involved with financial reports of some kind – preparing time sheets, expense reports, approving invoices, signing for receipt of purchased materials or preparing inventory reports. While all Team Members do not need to be familiar with accounting procedures, everyone does need to make sure that all business records are accurate, complete and reliable. This standard also applies to all operating reports or records prepared for internal or external purposes, such as product test results, quality control reports or sales projections.

In short, Team Members need to ensure that all of their records are truthful and accurate. False, misleading or incomplete information impairs our ability to make good decisions, undermines trust in the long term and in some cases may be illegal.

In addition, Team Members are obligated to cooperate fully with our internal and external auditors. No Team Member shall directly or indirectly take any action to fraudulently influence, coerce, manipulate or mislead an accountant engaged in the performance of an audit or review of the financial statements.

Team Members with financial reporting responsibilities are subject to the following special ethics obligations.

As a public company it is of critical importance that the Company's filings with the Securities and Exchange Commission be accurate and timely. Depending on their position with Jo-Ann, Team Members may be called upon to provide information to assure that the Company's public reports are complete, fair and understandable. Jo-Ann expects all of its personnel to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

The Finance Department bears a special responsibility for promoting integrity throughout the organization, with responsibilities to stakeholders both inside and outside Jo-Ann. The Chief Executive Officer and Finance Department personnel have a special role to adhere to these principles themselves and to promote a culture within the Company that ensures the fair and timely reporting of Jo-Ann's financial results and condition.

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Report all financial information accurately (cont.)

Because of this special role, the Chief Executive Officer and all members of Jo-Ann's Finance Department are bound by the following Financial Officer Code of Ethics. By accepting the Code of Business Conduct, each agrees that he/she will:

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
- Provide information that is accurate, complete, objective, relevant, timely and understandable to ensure full, fair, accurate, timely and understandable disclosure in reports and documents that Jo-Ann files with, or submits to, government agencies and in other public communications.
- Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
- Ensure that any information provided that impacts Company accounting complies with all relevant standards (e.g., U.S. Generally Accepted Accounting Principles). Questions regarding application of accounting standards should be addressed to the Director of Accounting and Financial Reporting, Corporate Controller, Chief Financial Officer, or the Vice President, Internal Audit and Loss Prevention.
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of one's work, except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work may not be used for personal advantage.
- Share knowledge and maintain skills important and relevant to each stakeholder's needs.
- Proactively promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and in the community.
- Achieve responsible use of and control over all assets and resources employed or entrusted.
- Promptly report to the Vice President of Internal Audit and Loss Prevention any conduct that appears to be in violation of law or business ethics or of any provision of the Code, including any transaction or relationship that reasonably could be expected to give rise to such a conflict.

Violations of this Financial Officer Code of Ethics, including failures to report potential violations by others, may result in disciplinary action, including termination of employment.

12 Properly utilize and protect all Company assets

Your Role:

*Protect the
Company's assets
which have been
entrusted to you.*

*Use the Company's
assets for legitimate
business purposes.*

12. Properly utilize and protect all Company assets.

Every Team Member is a steward of the Company's assets. Protecting Company assets against loss, theft and misuse is everyone's responsibility. Inventory, equipment, samples, tools and supplies have been acquired solely for the purpose of conducting Company business. They may not be used for personal benefit, sold, loaned, given away or disposed of without proper authorization.

Incidental personal use of telephones, email, Internet, fax machines, copy machines, personal computers and similar equipment is generally allowed if there is no significant added cost to the Company, it does not interfere with work duties and is not related to an illegal activity or to any outside business. Store Team Members may not use store computer systems for any personal use since this interferes with operation of the store systems. Company systems should not be used to access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs or any other message that could be viewed as harassment. Team Members should not have any expectation of privacy when using Company assets such as the Internet, email and the telephone.

Jo-Ann provides eligible individuals with a Team Member discount on most items purchased in our stores. Only Team Members and their eligible dependents (defined as the Team Member's immediate family members who either live in the same household as the Team Member or who are claimed as dependents by the Team Member on the Team Member's tax return) are eligible for this benefit. Team Members must ensure that only these individuals are permitted to obtain the discount. Refer to the Team Member Purchases Policy (HR370) for additional information.

13 Comply with all laws, rules and regulations, including insider trading laws and foreign laws

Your Role:

Ensure that you are acting in full compliance with all applicable laws.

Be particularly sensitive to Jo-Ann insider trading regulations.

If you are unsure of the laws associated with your business area or function, ask a Company lawyer.

13. Comply with all laws, rules and regulations, including insider trading laws and foreign laws.

All business at Jo-Ann should be conducted in full compliance with all applicable Federal, state, local and foreign laws.

Insider Trading

All Team Members are expected to comply fully with insider trading prohibitions. It is illegal to engage in transactions involving Jo-Ann securities, or the securities of other companies, if you are in possession of material non-public information concerning Jo-Ann or the other company. Transactions subject to the insider trading laws include the purchase or sale of stocks or bonds, Company stock transactions in the 401(k) Plan, and the sale of shares obtained under the Associate Stock Option Plan or from stock option or restricted stock grants. Material non-public information includes any information about a company that is not known by the general public and which might impact an investor's trading decisions with respect to that company's securities.

It is illegal to provide the material non-public information to anyone (even your spouse or other relative). In the event the other person engages in transactions involving Company securities, both you and the other person have violated the insider trading laws.

Jo-Ann Board of Director members, officers and director-level Team Members may only engage in transactions involving Jo-Ann securities during "window periods" shortly following our quarterly earnings releases. The Board of Directors and officers also must obtain clearance from the Company's Chief Financial Officer prior to any transactions involving Company securities.

If you have any questions concerning the applicability of the insider trading laws to a contemplated transaction, contact the General Counsel PRIOR to engaging in the transaction.

Federal and State Wage and Hour Laws

The federal and state wage and hour laws require that Team Members properly record their work hours and be compensated for all time worked (including, in the case of non-exempt Team Members, being paid at overtime rates when working overtime). These laws also establish rules regarding meal and rest breaks. Team Members are expected to comply strictly with these laws. Team Members must record their work time accurately and completely using the designated time recording system in place at their work locations. At no time are you allowed to work without recording your time ("off-the-clock" work is strictly prohibited), and under no circumstances should you record time during which you were not working for Jo-Ann. You may never ask someone else to record your work hours for you, nor may you record work hours for someone else. Team Members are expected to take their scheduled meal and rest breaks. Supervisors and managers are responsible for ensuring that Team Members reporting to them strictly comply with the wage and hour laws. If you feel that you are being asked to work in violation of these laws, you should report it to a Company manager, to the Human Resources Department or via the Get Help Hotline.

13 Comply with all laws, rules and regulations, including insider trading laws and foreign laws (cont.)

Foreign Corrupt Practices Act (“FCPA”)

The FCPA has two important provisions – (1) a requirement that companies maintain accurate books and records, and (2) a prohibition on bribery of foreign officials. Violations of the FCPA can result in severe penalties.

The bribery provision prohibits payments to foreign governmental and political party officials in order to obtain or retain business. An illegal payment can include anything of value, no matter how small. Illegal payments include both direct payments as well as indirect payments (for example, the Company knew or should have known that some of the fees paid to an agent or consultant would be passed on to the foreign official). Foreign officials include employees of state-owned companies.

The FCPA has a narrow exception for “facilitating payments”. These are incidental payments or gratuities paid to foreign governmental employees to expedite performance of routine governmental duties which those officials are obligated to perform. For example, such payments might be made in order to expedite a permit or license, the issuance of documentation, the provision of mail or utility service, or the export of cargo. There is a very narrow line between a legal facilitating payment and an illegal bribe, and therefore no Jo-Ann Team Member is to make a facilitating payment without the approval of the Chief Financial Officer and the General Counsel. If such payments are made, they must be properly recorded in the Company’s financial records.

Antitrust Laws

Antitrust laws, which are also known as competition laws, are designed to ensure a fair and competitive free market system. While Jo-Ann will compete vigorously in the marketplace, we will comply with the applicable antitrust and competition laws wherever we do business. This means that we will compete on the merits of our products, the prices we charge and the customer loyalty we earn.

Some of the most serious antitrust offenses occur between competitors, such as agreements to fix or control prices or other terms of sale, to allocate products, territories or markets (including store locations) or to limit the production or sale of products. It is therefore important to avoid discussions with competitors regarding pricing, terms and conditions of purchase or sale, costs, marketing or store opening plans, and any other proprietary or confidential information.

Unlawful agreements need not be written or even consist of express commitments. Agreements can be inferred based on “loose talk”, informal discussions or the mere exchange of certain information.

If a Team Member believes that a conversation with a competitor enters an inappropriate area, the Team Member should end the conversation at once and promptly report the conversation to the Company’s General Counsel.

13 Comply with all laws, rules and regulations, including insider trading laws and foreign laws (cont.)

The antitrust laws also regulate a variety of other restrictive practices (for example, vendor restrictions on the price at which a retailer can resell products, and vendor requirements that a retailer buy certain product categories exclusively from that vendor or buy unwanted products in order to obtain desired products). These and other restrictive distributional practices may violate the antitrust laws depending on all of the facts surrounding the restraint. If confronted with such situations you should consult with the Law Department.

International Business Laws

All Team Members must comply with applicable laws of the countries in which we operate. Team Members who are involved in international activities need to educate themselves about the applicable laws of the countries in which they do business. Where U.S. law or Jo-Ann policy differs from applicable foreign laws or customers, Team Members must follow the more restrictive law and policy.

Record Retention

A wide variety of government laws and regulations, as well as business needs, impose record retention requirements on the Company. These requirements are summarized in the Company's Record Retention Policy. Remember that these rules apply not only to paper documents, but also to all types of electronic information, including e-mails and electronic databases, which are stored on computer hard drives, servers, PDA's, cell phones, and all other types of electronic equipment and data storage devices. All Team Members should be familiar with the retention requirements applicable to the records under their control, and comply with those requirements.

At times, because of investigations or litigation, information must be retained beyond the periods set forth in our record retention policy. If you receive a document retention hold request from the Law Department you must retain all information referenced in that request until the hold is removed by the Law Department.

Other Legal Requirements

A full review of all applicable laws and Company policies is beyond the scope of this Code. Each Team Member is expected to have a working knowledge of the laws and Company policies applicable to his or her job. If you have any doubts as to the applicable legal and Company policy requirements, consult with your manager, other Team Members in your function and the Law Department to ensure that you understand the legal requirements BEFORE you engage in an activity. A full set of Company policies also is available on the corporate intranet, store portal, and in the DC Policy and Procedure Manual.

14 Waivers

14. Waivers

On rare occasions a waiver of the Code of Conduct requirements may be appropriate. If you believe that a waiver is justified, you must request such waiver from the General Counsel in advance of taking the proposed action. Waiver requests from a Board of Directors member or Executive Officer can only be approved by our Board of Directors or one of its Committees, and, if granted, will be disclosed promptly to shareholders.

JOANN
fabric and craft stores®